



The Commonwealth of Massachusetts

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

BAY STATE GAS COMPANY
D.T.E. 05-27

**TWENTY-SECOND SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO
THE COMPANY**

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy ("Department") submits to Bay State Gas Company ("Bay State" or "Company") the following set of Information Requests for response within SIX CALENDAR days of issuance

REQUESTS

- DTE 22-1 Refer to Exh. BSG/JES-1, Sch. JES-5. Although a reference is given for line 1, please confirm the source of the per-books cost of gas appearing in column 1, \$323,863,512, and explain any discrepancy between this figure and the per-books cost of gas appearing in Sch. JAF-1-1.
- DTE 22-2 Refer to Exh. BSG/JAF-1, at 7. Please confirm that the billing-month use was weather normalized, as implied in Step 2, and then was weather normalized again after conversion to a calendar-month basis, as implied in Step 4.
- DTE 22-3 Refer to Exh. BSG/JAF-1, at 7. Please clarify if the term "rate class" used in Step 3 is actually referring to the six "groups" identified in step 2.
- DTE 22-4 Refer to Exh. BSG/JAF-1, at 13, where it is stated that Step 2 "is to convert the billing month gas volumes to a calendar month basis," and also refer to page 15 of the same exhibit, where it is stated that Step 3 "is the conversion of billing month usage volumes to calendar month usage volumes. Please provide a new, detailed list of the steps actually taken, in the order actually taken, to determine test-year billing determinants.
- DTE 22-5 Refer to Exh. BSG/JAF-1, at 35. Please indicate whether the pipeline refunds that were excluded from gas costs in column 2 of Sch. JAF-1-1, sheet 2, were included in column 2 of Sch. JAF-1-1, sheet 1.

- DTE 22-6 Refer to Exh. BSG/JLH-1, at 4. Please explain what is meant by the phrase “development of indirect gas costs,” and elaborate on how the development of these costs, as distinguished from direct gas costs, causes gas-cost allocation to affect the design of base rates.
- DTE 22-7 Refer to Exh. BSG/JLH-1, at 5. Please (i) explain how the Company’s proposed revenue deficiency would change if indirect gas costs were not subtracted from the test year allowed revenue requirements and from test-year annualized revenue (see also, Exh. BSG/JES-1, Sch. JES-4) and (ii) comment on the usefulness of such an exercise in evaluating the Company’s need for rate relief.
- DTE 22-8 Refer to Exh. BSG/JLH-1, at 4. Please clarify what is meant by the term “manufactured production.”
- DTE 22-9 Refer to Exh. BSG/JLH-1, Sch. JLH-1-6, at 6. Please define the term “stranded production and storage.”
- DTE 22-10 Refer to Exh. BSG/JLH-1, at 6, lines 10-12. Please explain the rationale, under the Market-Based Allocation method, for accumulating base-load (i.e., high-load-factor) supply costs of commodity, capacity, and associated transportation and assigning them to the winter period, rather than assigning them to the entire year.
- DTE 22-11 Refer to Exh. BSG/JLH-1, at 5, lines 19-21, and at 8, lines 19-20.
- (A) Considering that under the MBA, the Company would assign the least-cost capacity and commodity costs to base-load use, and under the SMBA, the Company would assign average capacity and commodity costs to base-load use, is it fair to deduce that the SMBA method results in higher costs being assigned to base use than does the MBA method?
- (B) If so, please quantify the Allocated Gas Costs, as they appear in Sch. JLH-1-13, page 1, if the base-load use had been assigned least, rather than average, pipeline capacity and commodity costs. Include all calculations and workpapers in support of the results.

DATED: June 22, 2005